

5/023/040

Chief Consolidated Mining Co.

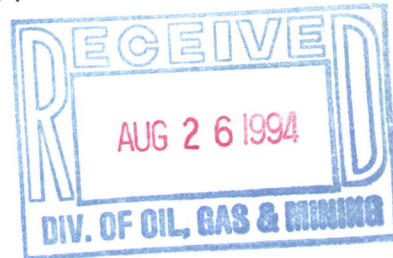
28757 CLOVER LANE
EVERGREEN, COLORADO 80439

A. PAUL MOGENSEN
*President
and Chief Operating Officer*

(303) 674-8439

August 23, 1994

Mr. Travis Jones
Utah Division of Oil, Gas and Mining
Suite 350, 3 Triad Center
355 West North Temple
Salt Lake City, Utah 84180-1203



Re: Enclosed Notice of Intention of Commence Small Mining Operations at the
Chief No. 2 Mine

Dear Mr. Jones:

Enclosed you will find two copies of a Notice of Intention to Commence Small Mining Operations at the Chief No. 2 Mine in September, 1994. The Chief No. 2 Mine is located adjacent to the town of Eureka, Juab County, Utah. The Chief No. 2 shaft has historically supported underground mining operations but the area covered by this NOI has not in the past and is not presently included under any valid mining permit.

The Chief No. 2 shaft was sunk in the 1920s by Chief and it was rehabilitated by Asarco in the 1980s. A new headframe, hoist and combination hoist house and dry were installed at that time. The mining program will include facility inspection and maintenance, underground drilling, underground and surface development work and underground mining. All ore produced from the Chief No. 2 Mine will be hauled elsewhere for further processing.

In addition to providing the information required by Rule R647-3, Chief is requesting a written variance from the requirement to premanently seal the shaft at the conculsion of mining. An alternative shaft closure method is proposed. Thank you for your review of the enclosed information. Please feel free to contact either me or Mr. Tom Gast of Environmental Management Services Company (303-482-9624) with any of your questions.

Sincerely,

A. Paul Mogensen
President

enclosures